1879-80. File No. 30.
(K. R.). Serial No. 1-3

Sub:- ~~Simplifying~~ Simplifying the System of Sayer Collections.

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File No. 30

Serial Nos. 1—3

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1 – 3.

all ~~Part~~ B for

SUBJECT.

Simplifying the system of Sayer Collections.

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Dn

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1879

From

To The Secy. to the Govt. of India,
Foreign Department,
Simla

Dated 27 September (Recd. Supra)

Despatched 30 "

Received

Enclosures No. —

General No. 3360

No. 40

Submitting proposals for simplifying the system of levying duty on Cocoanuts, Betel Leaves, Tobacco, Areca nut & Cardamoms in Mysore.

(5)

(1)

MYSORE SECRETARIAT

Mysore Chief Commr's Office
Rev. Department
Dated Camp Mysore 27th
September 79.

To.

The Secretary to the
Govt. of India,
Foreign Deptt.
Simla.

Sir,

I am directed by the Chief Commissioner to submit for the sanction of His Excellency the Viceroy and Governor General in Council the following propositions for simplifying the system of Sayer collections in this Province.

2. Accepting the proposals made by Mr. Richard Meade on the subject in this office letter No. 7786/1521R of the 29th January 1875, and generally approved by the Government of India in their letter No. 97R of the 10th April 75, he recommended the discontinuance of the existing mode of levying the Sayer on Cocoanuts

Sh 3360/40

B/4

25/9

and Betal leaves
at the place of their
production and proposed
to convert the tax into
a Town duty. No effect
was given to this proposal
as it was apprehended
that any arrangement
for the levy of the Town
duty would involve
greater expenditure in
establishment and annoyance
to the people than in the
collection of the Sayer.
As Municipalities ~~which have~~ have been ~~regularly~~
established in the Towns
in the Province, and,
as in many of them,
the Octroi forms an
item of their income,
the proposed levy of the
Sayer tax in the form
of a Town duty without
any additional charge,
has become both feasible
and unobjectionable. In
fact, the Octroi is already
levied very generally

? how many municipalities have been newly established since 75. Have any 'regularly' established now?

come into full working,

on Betal leaves, and
several of the Municipalities propose to
extend it to, and one
Municipality already
levies it on Cocoanuts
also; so that these
articles are now subject
to two separate duties,
one at Sayer on leaving
the place of their pro-
duction, and the other
as Octroi in the towns
to which they are brought
for consumption.

3. The Sayer Revenue
derived by Government
from the articles has,
at the same time, con-
siderably fallen off
owing to the effects
of the Famine. It
now amounts to Rupees
58,768, so that it has
become a question
whether for such a
small account of revenue, the extensive
system of direct
interference with
the cultivators which
is involved in the

	Rs.
Cocoanuts Dry -	4,552
" Fresh -	30,266.
Betal leaves -	23,950
	58,768

collection of the Sayer ought to be retained any longer. The articles are grown in every part of the Province, so that the interference occasioned is general and extensive, and the immediate interference with the cultivators proves, more restrictive on the cultivation than any system of imposts afterwards.

4. The Chief Commissioner therefore, availing himself of the sanction already accorded by the Govt of India, has issued instructions for the discontinuance of the separate levy of the Sayer on these articles from the 1st November 1879, and in lieu of the Sayer and the Octroi, has authorized the levy of a combined Town duty on the articles in all the Municipalities excepting such as may find the same not sufficiently productive.

[illegible] would it not be well to make it obligatory on all those who do away with it in those municipalities where it is most inherently productive to levy them more extensively than they can be now?

The realizations are to be divided equally between the Municipalities and the Govt. The present Sayer rate of duty on Betal leaves is one Pie per bundle of 100 Leaves. The Octroi levied is the same. The combined Town duty proposed to be levied is 2 pies The existing rates of Sayer duty on Cocoa-nuts as noted in the margin being already high, (about 25 per cent of the price) the same rates have been adopted for the combined Town duty without any addition on account of Octroi. The loss of revenue resulting to Govt. will be insignificant, whilst great relief, which will be

× Cocoanuts dry - 7/2 as per maund.
do fresh - 0 as per 100-

They will be levied on the imported as well as the home-grown articles.

may be represented by one half of the present collections from cocoanuts, or Rs. 17000, which will be made over to the Municipalities in consideration of their collecting the same.

afforded to the cultivators who will be free to gather the produce of their gardens and sell it at their convenience without any interference on the part of the petty officials. Under the item of Betel leaves, there will be no loss. The consumption of these dutiable articles outside Municipal limits which will hereafter pay no duty, will not exceed, it is believed, the proportion of the total produce upon which, under existing system, duty is evaded — The exports beyond the Province which will also not come under the duty, are but small —

5. The Chief Commr now requests the sanction of His Excellency the Viceroy and Governor General in Council for carrying into effect a similar arrangement in regard to Tobacco. The Sayer Revenue from this Article has suffered even more than the Betel. It has fallen off from Rs. 128,000 in 1873-74 to Rs. 41,574, the collections of the last year 1878-79. This result is partly to be attributed to the reduction of the rate of the Sayer duty from one Rupee to 12 Annas per maund, but is chiefly due to a great falling off in the cultivation — The article is grown only in some Talluks of the Mysore, Hassan and Kadur Districts, and requires great care both in its cultivation and manufacture. The interference involved in the collection of the Sayer, rather than its amount, has proved restrictive on the cultivation. The Chief Commissioner, therefore, considers the abolition of the Sayer on Tobacco even more urgent & less objectionable on the score of loss of revenue than is the case with Cocoanuts and Betel leaves. The present Sayer rate, as already stated, is 12

MYSORE COMMISSION

Annas per maund.
The Octroi now levied
in most of the Munici-
-cipalities is 4 Annas
per maund, but proposals
have been made to
raise the rate. The Chief
Commr. proposes to give
up the separate collection
of the Sayer duty, and
to authorize the Munici-
-palities, excepting those
of Bangalore and Mysore,
to levy a combined Town
duty of 1 Rupee per maund,
dividing the realizations
equally between the muni-
-cipalities and the Govt,
as provided for in
regard to Cocoanuts
and Betel leaves.

6. In the Municipalities
of Bangalore and Mysore,
the Octroi is levied on imported
Tobacco, inclusive of
the Sayer of 12 Annas,
at Rs 3/8/0 per maund.
On home-grown Tobacco which pays Sayer
separately, the Octroi is Rs 2/8/0, there being
a difference of 4 Annas in the Octroi rate
on the imported and home-grown article

The Chief Commr. does not
wish to interfere with
this high rate which
has continued to be
collected for many
years without objection,
the article being one of
a specially excisable
character. He merely
proposes to reduce the
combined rate slightly to the more
convenient figure of
Rs 3/, one fourth of which
or 12 Annas being the
Sayer rate, a fourth
of the realizations from
Tobacco will alone be
paid to Govt in these
two Municipalities. The
consumption of the
article being mostly
in the Towns, the loss to
the Govt. by the proposed
arrangement will be
inconsiderable, whilst
all interference with
the cultivation and
manufacture will be
effectually removed.

The loss will be generally
represented by the
difference between 12 Annas,
the Sayer rate now levied, and
the half of one Rupee
or 8 Annas which the Municipa-
-lities will repay to Govt. Now
as the greater part
of the consumption is in
Bangalore & Mysore, where the
full Sayer rate of 12 annas
will be repaid to Govt, the loss
on the remaining
3
collection
will be quite insignificant,
and will be more than made
good by increased trade
and saving in
establishments.

7. Areca-nut forms the chief source of the larger revenue in this Province. Though this item has also fallen off owing chiefly to the reduction of the rate of duty from Rs 1-8-0 and 1/0 to 12 Annas per maund, the revenue is still very considerable, amounting in the last year to Rs. 3,77,318. The Government therefore cannot afford to give it up. Neither could an arrangement similar to that proposed for the other Layer articles be made as the local consumption and Exports of the areca-nut beyond the Province are nearly equal, so that a Town duty would deprive the Govt. of the portion of the revenue derivable from the quantity exported.

8. The cultivation of the areca-nut is mostly confined to the Malnad Talukas of the Shimoga and Kadur Districts, ~~and is carried on to a less extent in some Talukas of the Mysore and Tumkur Districts. The cultivation, though~~ but is extensive, and the article forms one of the most important staples of the Province, and stands in need of every encouragement. As it is already burdened with a heavy land assessment on the gardens in which it is grown besides the Layer duty, the Chief Comm: considers it important to relieve it from any further impost or restrictions on its trade which is general and extensive. The Layer duty which is

collected at the place of production on the fresh nuts is, in this case, less objectionable than any duty afterwards in the towns in the course of its trade. The Chief Commr. has therefore directed the removal of Areca-nut from the list of articles which maybe brought under the Octroi in the Municipalities.

9. The Layer is collected on the Arecanuts imported into the Province from British Territories as well as on the local produce at the same rate of 12 Rs. per maund. As the imports, however, are quite inconsiderable, the levy of the duty on it may, without any loss to Govt., be discontinued except in the few Taluks bordering on the Canara District, where the retention of the duty will be necessary

1878-79.

Quantity.	Duty levied
Mds.	Rs.
975	732.

for protection against smuggling in the levy of the duty on the local produce. This maybe regarded as placing the local produce at a disadvantage in comparison with the imported article, but as a matter of fact, the removal of all further restrictions on the trade of the article, after it once leaves the place of its produc-tion, will be found more advantageous to the local industry than any protective tax on the imports.

10. Under these arrangements, it will be seen that the extensive system of interference entailed by the Layer will be greatly simplified. The Layer will be confined to the

single article of areca-nut and that upon the local produce only. The arrangements connected with it will be limited to the place of its production, and the objections to the existing system on the score of the Layer operating as a 'Customs duty' on articles imported from British Territories will be removed. The Municipal taxation of imported as well as locally grown articles is not open to the same objection.

11. The only other article which is brought under the Layer in the Province is Cardamom. The article is grown in the same gardens with the Arecanut, and the duty realized from it is insignificant.

× Rs. 4505 in 1878-79

and may well be given up to the benefit of the areca-nut garden cultivators as soon as arrangements are made for the introduction of an acreage assessment on the Coffee lands. As Cardamom is also grown on some of these lands which now pay no land assessment, there is until the introduction of the acreage assessment, no means of levying the Govt due on it except in the form of a Layer duty.

I have &c.

C.
Rev. Secy.

1879

From

(3)

Sir

To

The Secy. to the Govt. of India
Foreign Deptt
Simla

Dated
Despatched } 14 Oct 79
Received

Enclosures No.

General No. 3669
No. 50

I submit copy of P.C.
Desp. No. 3362-73
dt 9/61 containing instructions for the mission
& the actual duties
& other items of
attempt taxation.

Atma Ram Sauce

To be carefully examined with reference to Regulations & Orders published from time to time.

Dy

(23)

No 3669
50

P/G
13/10

(3)

Mysore Chief Comm's Office
Revenue Dept.
Dated Bangalore 14 Oct 1879.

To.

The Secretary to the
Govt of India,
Foreign Department
Simla.

Sir,

With reference to para 2 of your letter No. 273 G of the 30th January 1879, I am directed by the Chief Commissioner to submit, for the information of the Govt of India, a copy of his Proceedings No. 3362-P dated the 27th September 1879, containing the instructions issued by him for the revision of the Octroi duties and other items of Municipal taxation in this Province.

2. These instructions

provide, 1st ly, ~~Vide~~ (paras 9 to 13), for the uniform levy of a House tax in all the minor municipalities, the proceeds being divided ~~equal~~ equally between the Municipal and Provincial Revenues, instead of the present system under which a House tax is collected by the Government under the head of Mohaturfa and a separate one by the Municipalities. In the larger or District Head Quarter Municipalities, to which the Mohaturfa Revenue has been made over in consideration of their defraying the entire cost of their Police, the whole proceeds of the House Tax will continue to be enjoyed by them :-

(Secondly, paras 14 to 22 & 30 to 33) for the revision and reduction of the number of articles upon which the Municipal Octroi is now levied :

And thirdly, (paras 23 to 29)- for the simplification of the incidence of the Sayer and Octroi duties on the four articles which are now subject to both. The ~~Sayer~~ collection of Sayer is proposed to be confined to Arecanut, upon which no further Octroi is to be levied ; whilst the Government claim to Sayer and Municipal Octroi on the remaining ~~four~~ three articles, viz Tobacco, Cocoanuts and Betel-leaves, are to be levied in the form of

combined
a Town duty, and
the proceeds divided
equally between the
Government and the
Municipalities. ~~Revenues~~ subject
Proposals on this ~~point~~ have been
separately submitted
for orders in this Office
Letter No. 3360/40 of the
27th Ultimo.

Shamiyza.

Octroi taxation.

Draft to India forwarding copy of the C & Proceedings on the subject

For approval

Rev Secy

Ist Dept
5 note

(27)

Proceedings of the Chief Commissioner of Mysore in the Revenue Department, (Revenue),—dated 27th September 1879.

(2)

READ—

1. Docket No. 734, dated 7th December 1877, from the Commissioner of the Nundydroog Division.
2. Letter No. 3996, dated 29th January 1878, from the President, Cantonment Municipal Commission, Bangalore.
3. Letter No. 1304—28, dated 29th March 1878, from the Commissioner, Nagar Division.
4. Letter No. 584—17, dated 5th November 1878, from the Commissioner of the Ashtagram Division.
5. Chief Commissioner's Proceedings No. 2627—Munl. 227, dated 26th October 1877.

No. 3362-73—MUNL. 161, DATED 27TH SEPTEMBER 1879.

ORDER THEREON.—The above letters contain proposals for the revision of the octroi in the several municipal towns in the Province, in accordance with the principles laid down in the Government of India, Home Department's Resolution No. 4446, dated 6th November 1868, and letter No. 2—103, dated 28th September 1877, and for otherwise placing the municipal income on a proper footing.

2. In the Town and Cantonment of Bangalore, which is the entrepôt of trade for the whole Province, the octroi is properly confined to a few special articles of local consumption. The articles and the rate of octroi levied are as noted in the margin.

	Rs.	A.	P.	
1. Areca-nut	0	4	0	per maund.
2. Tobacco—				
Imported from H. M.'s Territory	3	8	0	per maund inclusive of 12 As. sayer.
Local produce	2	8	0	per maund.
3. Betel leaves—				
Imported from H. M.'s Territory	0	0	2	per bundle of 100 leaves, inclusive of 1 pie sayer.
Local produce	0	0	1	per bundle of 100 leaves.

3. In the other Municipalities of the Nundydroog Division, comprising the Districts of Bangalore, Kolar and Túmkúr, a house-tax with some miscellaneous receipts from pounds, &c., constitutes the sole income. No octroi is levied in them except in the head-quarter town of Túmkúr, where the duty is collected on cloth and tobacco.

4. The Municipalities of the Shimoga, Kadur and Chitaldroog Districts forming the Nagar Division, are maintained by a house tax which is supplemented by octroi collections. These are generally levied on tobacco, betel leaves and cloth not imported by sea, and at the rates noted in the margin. But in the Chitaldroog and Kadur Districts, jaggory and sugar, butter and ghee, oil and arecanuts are also brought under the duty; and in the head-quarter town of Shimoga, animals for slaughter, *viz.*, sheep and goats, are added to the list.

	Rs.	A.	P.	
Tobacco	0	4	0	per maund and
	1	0	0	in Shimoga
Cloth	2	per cent *ad valorem* and		
	5	per cent in Chikmagalur.		
Betel leaves	1	pie per bundle of 100 leaves.		

5. In the two Districts of the Ashtagram Division, Mysore and Hassan, no house-tax is levied except in the Head-quarter Municipalities and in one or two others; but an octroi is collected on *cloth and *tobacco in the Municipalities of Hassan, and on cloth, tobacco and *arecanut in the minor Municipalities of the Mysore District. The duty on cloth in this Division is levied at 5 per cent instead of 2 per cent as in the Nagar Municipalities. In the Municipalities of Mysore, Seringapatam and Húnsúr alone, especially in the first named, an unusually large number of articles is brought under the octroi. The articles taxed, the rates of duty, and the amount realized from the same in the Mysore Municipality are given below:—

*Cloth	at 5 per cent *ad valorem*.
*Tobacco	„ 4 annas per maund.
*Arecanut	„ 8 do do.

Name of Article.	Rate of Duty.	Per	Annual Amount realized calculated on the average of 3 years preceding 1877—78.
1. Sugar	... 4 0	Maund ...	2,367
2. Gingelly seed	... 8 0	Candy ...	2,763
3. Gram	... 4 0	do ...	1,219
4. Ghee	... 8 0	Maund ...	4,938
5. Arecanut { 1st sort	1 0 0	Do ...	3,686
{ 2nd sort	0 8 0		
6. Tamarind...	... 2 0	Do ...	1,130
7. Jaggory	... 2 0	Do ...	3,389
8. Sheep and goats	... 2 0	Head ...	4,271
9. Oil	... 2 0	Maund ...	705
10. Lamp oil seed	... 8 0	Candy ...	3,134
11. Soapnut	.. 2 0	Maund ..	356
12. Timber including bamboos ...	1 0 0	Cartload ..	1,742
13. Chunam	... 8 0	Do ...	1,062
14. Coriander	... 8 0	Candy ...	717
15. Pepper	... 8 0	Maund ..	656
16. Chillies	... 2 0	Do ...	1,306
17. Saffron	... 4 0	Do ...	993
18. Onions	... 1 0	Do ...	760
19. Garlic	... 2 0	Do ..	441
20. Tobacco leaf, imported from H. M.'s Territory ...	3 8 0	Do ...	7,505
Do local production ...	2 8 0		
Tobacco stalk, imported from H. M.'s Territory...	1 12 0		
Do local production.	1 4 0		
21. Cloth	5 0 0	Per cent *ad valorem*	11,875
Total.....			55,015

6. Besides the above sources of income, the collections heretofore derived by Government from Mohatarfa, which consists of a tax on houses, shops, looms, oil-mills and carts, have been made over to the Municipalities at the District head-quarters and to the large Municipality at Seringapatam, which in return are required to defray the entire cost of the Police, and in Chikmagalur of education also. In Bangalore, however, which is divided into the two separate Municipalities of the Town and the Cantonment, the former alone bears the entire cost of the Police, whereas in the Cantonment, the Municipality bears but $\frac{1}{3}$ of the Police charges, the remaining $\frac{2}{3}$rds being borne by the Government. In these two Municipalities, in order further to aid them to meet the large expenditure which devolves on them owing to their exceptional circumstances, the Government revenue derived from lands situated within Municipal limits and the license fees collected on retail spirit and liquor shops have been made over to them.

7. No tolls are levied in any of the Municipalities in the Province, nor any tax on professions and trades excepting the Mohatarfa already referred to, which falls only on the petty trades. The larger professions and trades in the Province at present contribute neither to the Provincial nor to the Municipal revenue. A license fee on carriages, horses and animals is levied only in the Municipality of Mysore. Its introduction into Bangalore which is attended with some difficulty is under consideration.

8. The foregoing gives a brief resumé of the details of the Municipal taxation as now obtaining in the Province. The Chief Commissioner considers it necessary to revise them to some extent in order to secure a uniformity of system, and he resolves to issue the following instructions on the subject.

9. The minor Municipalities cannot hope to secure an adequate income except by means of a house-tax, and if a house-tax were levied, it seems scarcely desirable that they should resort to other sources of taxation such as octroi save to a limited extent. The house-tax, however, as at present levied in these Municipalities, is attended with needless complication. The portion of it which is classed under Mohatarfa, *i.e.*, the tax on the houses of the non-agriculturists, not consisting of Brahmans, Muhammadans and other privileged classes, continues to be collected by Government; whilst the Municipalities levy a separate tax in some places only on the houses of the exempted classes, and in other places on all houses. In order to obviate the inconvenience of this complicated arrangement, and to secure a uniform taxation of all the houses in these towns, the Chief Commissioner resolves to make over all the items of the Mohatarfa to the minor Municipalities on the condition of their paying to Government one-half of the entire collections realized from house-tax and the other items constituting the Mohatarfa, reserving the remaining half for Municipal purposes.

10. The house-tax under this arrangement will be levied by the Municipalities at uniform rates on all the houses without distinction or exemption. But buildings which are the property of Government, and those which are devoted exclusively to religious or charitable purposes, should be exempt from the tax.

11. The house-tax should not exceed $7\frac{1}{2}$ per cent of the annual rental of the houses; but in the minor Municipalities where houses are not usually rented, the tax will be more conveniently collected at a percentage on the valuation of houses.

The rates noted in the margin may be adopted experimentally in all the Municipalities, the Municipal Boards being competent to exempt from the tax huts of small value occupied by the poorer classes in detached localities. The valuation of the houses will ordinarily be conveniently made upon the area occupied by the buildings at fixed rates for the several descriptions of houses, *viz.*, terraced, mud-roofed, tiled and thatched; each being sub-divided if necessary into two or more classes according to quality.

	Rs. A.
Houses under 50 Rs. in value	0 8
Do from 50 „ to 150 „ ...	1 0
Do „ 150 „ to 250 „ ...	1 8
Do „ 250 „ to 400 „ ...	2 0
Do „ 400 „ to 600 „ ...	3 0
Do „ 600 „ to 800 „ ...	4 0
Do „ 800 „ to 1000 „ ...	5 0
Do above Rs. 1000 at $\frac{1}{2}$ per cent on the valuation with $\frac{1}{4}$ per cent for the portion of the value in excess of Rs. 2000, fractions of a rupee being omitted in the resulting amounts.	

12. The tax under the other items of Mohatarfa, *viz.*, shops, looms, oil-mills and carts, will be levied at such rates as are now or may hereafter be fixed for the Province in general, but no exemptions on account of caste or other grounds shall be allowed.

13. The arrangement under which the Municipalities at District head-quarters and at Seringpatam enjoy the whole of the Mohatarfa, defraying in return the entire cost of the Police, will continue. But instead of the separate rates prevailing under the Mohatarfa and the Municipal taxation in these towns, the tax on all the houses and the other items will be levied at one combined rate and upon uniform principles.

14. As regards the octroi duties, the instructions of the Government of India which have been already published, very clearly lay down the principles to be observed in their collection. These duties are to be levied only on articles of local consumption, and are on no account to be extended to any article belonging to the transit or general trade of the country. The latter restriction has been generally observed. But it is not possible strictly to limit the duty to the articles actually consumed within the Municipality. It is easily arranged that no duty is levied on traffic which does not break bulk in its transit through the town, but when the articles are once brought into the local market, it is difficult to separate purchases for local consumption from those made by residents of villages beyond the Municipal limits. The rural population very generally obtain their supplies of articles from the retail sellers in the larger towns, and the refund of the duty on the articles again leaving the Municipal

limits is likely to be attended with abuse. It is therefore not possible to prevent the Municipalities deriving some portion of their octroi income from the consumption in villages outside the Municipal limits.

15. The articles upon which octroi could be levied under the instructions of the Government of India, as classified under the heads noted in the margin, are very numerous, and to these have been afterwards added—

(1.) Articles of food or drink for men or animals.
(2.) Animals for slaughter.
(3.) Articles used for fuel, for lighting or for washing.
(4.) Articles used in the construction of buildings.
(5.) Drugs, gums, spices and perfumes.
(6.) Tobacco.

(7.) Piece goods and other textile fabrics and manufactured articles of clothing and dress, and—

(8.) Metals and articles of metal.

with the proviso that on these articles imported by sea and liable to customs duties, the octroi should not exceed 1½ per cent *ad valorem*.

16. There are however other considerations which require attention and which would greatly reduce the number of articles upon which the octroi can without objection be allowed to be levied. It is desirable that the octroi should be confined to a few articles which are likely to be most productive, and upon which the duty could be easily collected without involving needless annoyance or the stoppage and search of other commodities; and that, as far as practicable, it should bear upon articles of luxury;—at least it should not injuriously affect the retail prices of articles with which the poorer classes are mainly concerned, and that the rates of duty should be moderate.

17. Judged by these principles, the number of articles upon which octroi is at present levied in Mysore must be deemed objectionable. The duties on the articles marginally noted are open to objection on the score of their being unproductive, or being easily evaded, or bearing injuriously upon articles which form the necessaries of life to the poorer classes. They should be abolished.

Coriander.
Pepper.
Chillies.
Saffron.
Onions.
Garlic.
Soapnut.
Tamarind.
Gram and other grains.

18. No duty should be levied on bamboos which are largely used by the poorer classes for building and repairing their houses. But there is not the same objection to a duty on timber and chunam, which is easily collected on the cart-load, but proper arrangements should be made that the duty is not levied on timber which is not unloaded in the town. The duty on timber may properly be fixed at varying rates for the superior and inferior classes of it, *viz.*, at Rs. 2 per cart-load for teak and blackwood, and Re. 1 for timber of other descriptions. The duty on chunam may be reduced from 8 to 4 annas per cart-load.

19. The duty on oil seed should also be reduced from 8 to 4 annas per candy, in order to make it proportionate to the duty on oil, which is only 2 annas per maund.

20. Piece goods form the most productive item of Municipal octroi, and may continue to be taxed at 5 per cent *ad valorem* on articles of Indian manufacture, but goods imported by sea and liable to customs duty, which may also be brought under the octroi, should bear a duty not exceeding 1½ per cent *ad valorem*.

21. Imported metals may also be brought under the octroi at the same rate as imported piece-goods in places where it is likely to be productive. Till now, however, they have been taxed only in the Shimoga Municipality where the collection from them has been insignificant.

22. The following will then be the articles upon which the octroi may be levied and at the rates not exceeding those specified. The rates of duty, it will be seen, range from about 4 to 7 per cent on the value of the articles:—

Class.	Name of Article.	Rate of Duty.	Ordinary Price.
		Rs. A. P.	Rs.
I.	Sugar	0 4 0 Per maund of 960 tolas' weight.	4
	Jaggory	0 2 0 „ do	2
	Ghee	0 8 0 „ do	8
	Butter	0 4 0 „ do	6
II.	Sheep and goats	0 2 0 „ head.	2
III.	Oil	0 2 0 „ maund of 960 tolas' weight.	3
	Oil seed (gingelly and lamp-oil seed)	0 4 0 „ candy of 160 seers.	6
IV.	Timber—Teak and blackwood	2 0 0 „ cart-load.	30
	Do other kinds	1 0 0 „ do	15
	Chunam	0 4 0 „ do	5
VII.	Piece goods of Indian manufacture	5 0 0 Per cent *advalorem*.	
	Do imported by sea	7 8 0 do	
VIII.	Metals	7 8 0 do	

23. The articles which now contribute to the Provincial revenue under the head of sayer or excise duty as well as to the Municipal octroi, require separate consideration. These articles and the rates of the sayer and Municipal duties generally levied on them are noted below:—

	Rate of Sayer Duty. Rs. As. P.	Rate of Municipal Duty. Rs. As. P.	Per
Cocoanuts, fresh	0 8 0	0 0 0	100.
Do dry	0 7 6	0 0 0	maund.
Betel-leaves	0 0 1	0 0 1	bundle of 100 leaves.
Tobacco except in the Towns of Bangalore and Mysore	0 12 0	0 4 0	maund.
Arecanut	0 12 0	0 4 0	maund.

24. The separate levy of these two duties, as is to be expected, adds considerably to the annoyance and interference attendant on their collection. The Chief Commissioner, therefore, in pursuance of the sanction given by the Government of India in 1875, but which has not as yet been given effect to, resolves to dispense with the separate collection of the sayer duty on cocoanuts and betel-leaves at the place of their production, and to authorize such of the Municipalities in the Province as may find it sufficiently productive, to collect on them a combined town duty at the rates noted in the margin on the condition of the Municipalities retaining one-half of the realizations for Municipal purposes and paying the remaining half to the Provincial revenue. The town duty will be collected on the articles, whether produced within the Province, or imported from outside.

Cocoanuts—
Fresh ... 8 annas per 100.
Dry ... 7½ annas per maund.
Betel-leaves...2 pie per bundle of 100 leaves.

25. The Chief Commissioner further proposes to obtain the sanction of the Government of India for introducing a similar arrangement in regard to tobacco. The sayer duty now levied on this article is 12 annas per maund, and the octroi additionally collected on it is 4 annas per maund, except in the Municipalities of Bangalore and Mysore, where a much higher rate is levied. It is proposed to give up the separate sayer duty on tobacco, and to authorize the Municipalities to levy a combined duty of one rupee per maund on the article, paying one-half of the realizations to the Provincial revenue.

26. The higher rate of duty now levied on tobacco in the Municipalities of Bangalore and Mysore, *viz.*, Rs. 3—8—0 per maund, inclusive of the sayer, will not

be interfered with; but it will be convenient to reduce it slightly to Rs. 3—0—0 per maund, one fourth of which being the sayer, one-fourth of the realization from tobacco will alone be paid to Government in these two Municipalities.

27. The Municipal duty levied in the Mysore Town alone on tobacco stalks, which appears to produce but little, should be given up for the same reason for which it has already been removed from the list of sayer articles, *viz.*, that it is almost a necessary upon which the poorer classes who cannot afford to purchase the highly taxed tobacco leaves are entirely dependent.

28. Arrangements similar to those above ordered for the other sayer articles cannot be conveniently made in regard to areca-nut. This article is largely exported to places outside the Province, and the sayer revenue derived from it which is considerable cannot be fully secured by Municipal taxation. Considering that areca-nut forms the most important staple of the Province and that it is heavily burdened with a high land assessment and the sayer duty, the Chief Commissioner deems it important to relieve the article from any further imposts or interference with its trade. He therefore directs its removal from the list of articles which may be subjected to the Municipal octroi.

29. The above measures will greatly simplify the incidence of the sayer and Municipal octroi duties. No article will be hereafter subject to both. The arrangements for the collection of the sayer will be confined to the single article of areca-nut, whilst the loss to Government of the sayer revenue from the other articles will be to a considerable extent made good by the payment to Government of half the Municipal realizations from them.

30. In thus defining and restricting the number of articles which may be brought under the Municipal octroi, the Chief Commissioner desires it to be understood that each Municipality should select for the octroi taxation only such of the articles named upon which the tax is likely to be sufficiently productive, and would not entail charges for the collection out of proportion to the income. Especially in the minor Municipalities or towns other than the District head-quarters, the octroi may be advantageously restricted to the articles noted in the margin, as in these smaller stations the other articles mentioned in the list are scarcely bought and sold, the consumption of the inhabitants being confined to what they themselves produce.

1. Cloth.
2. Tobacco.
3. Betel leaves.
4. Cocoanuts.

31. The renting of the octroi having been objected to by the Government of India, the same has now been given up, and the duties are collected throughout the Province under direct management. This necessarily opens a wide door to smuggling and fraud—objections which would be serious if the duties had to be collected by Government. But in authorizing the Municipalities to collect these duties, it is hoped that the Municipal committees will be able, by their personal attention, to ensure the necessary safe-guards against smuggling, and, at the same time, consult the convenience and comforts of the inhabitants. The Chief Commissioner trusts to the Municipalities giving their earnest attention to the above points and suggesting arrangements for collecting the duties, as far as practicable, without detention and the unloading of the goods.

Arrangements should also be made for exempting from octroi articles brought into the town for private use in small quantities.

32. With regard to bonded warehouses referred to in the instructions of the Government of India, it is observed that they have been established in the large towns of Bangalore and Mysore only. They would seem to be scarcely suited to the requirements of the smaller places.

33. The peculiar position of Bangalore, as the entrepôt of the trade by the Railway with the whole Province, precludes any enlargement of the present limited sphere of the octroi taxation allowed in that Municipality. The articles chargeable with octroi in this Municipality will be, (1) tobacco, (2) cocoanuts and (3) betel leaves, to which may be added sheep and goats should the Municipality desire it.

34. The propriety of allowing this Municipality, as an exceptional case, to levy tolls, as in Madras, to make up for its insufficient income from octroi, and to provide it with the means of maintaining its roads in repair, will be separately considered.

35. The above arrangements, except in regard to tobacco and arecanut, should come into effect from the 1st November 1879, and the Deputy Commissioners and the Municipal President of Bangalore are requested to arrange accordingly. Further instructions in regard to tobacco and arecanut will be issued on receipt of the orders of the Government of India on the proposals made.

C. RANGACHARLU,
Revenue Secretary.

To—The Commissioners of Ashtagram and Nagar Divisions.
" Deputy Commissioners of Districts.
" President, Cantonment and Town Municipal Commissions, Bangalore.
" Deputy Accountant General.

1379.

GOVERNMENT OF MYSORE.

REVENUE DEPARTMENT.

REVENUE.

To

THE COMMISSIONERS OF ASHTAGRAM AND NAGAR DIVISIONS.
„ DY. COMMISSIONERS OF DISTRICTS.
„ PRESIDENT, CANTONMENT AND TOWN MUNICIPAL COMMISSIONS.
„ DY. ACCOUNTANT GENERAL.

Dated 27th September.

Despatched

Received

No. 3362-73.
Muni. 161.

Municipal taxation.—Issues instructions relative to the revision, to some extent, of—

Mysore Govt. Press, Bangalore.—9-10-79.—250.

Proceedings of the Chief Commissioner of Mysore in the Revenue Department, (Revenue),—dated 30 October 1879.

READ—

Chief Commissioner's Proceedings No. 3362-73—Muni 161 of the 27th September 1879, regarding the revision of Municipal and Sayer taxation

Letter from the Deputy Commissioner, Bangalore Dist, No. 291 of the 15th October 1879

No. 4032-43—MUNL. 201, DATED CAMP MYSORE, 30TH OCTOBER 1879.

ORDER THEREON.—The object of the instructions conveyed in para 24 of the Chief Commissioner's Proceedings of the 27th September last was to simplify the collection of the sayer and municipal duties on betel-leaves and cocoanuts in all the Municipalities in general. In the town of Bangalore, the consumption consisting chiefly of the articles imported from Her Majesty's Territories, which have not hitherto been liable to sayer duty, the octroi already vied on betel-leaves and that newly authorized on cocoanuts will, as regards artics imported from Her Majesty's Territories, be wholly appropriated by the Municipality. The Municipality will, as arranged by the Deputy Commissioner, pay to the rovincial revenue one-half of the collections on the above articles of local producth only.

2. The arrangements indicated in the ove Proceedings in regard to tobacco will require similar revision as regards the Ingalore Municipality, and instructions will be hereafter issued on the subject, whenhe new arrangements are to come into effect.

3. The Deputy Commissioner of Bangalore reports that in consequence of the new arrangements made, he has dispensed w the Sayer Establishments in his District, costing Rs. 74 per month; and he sug s that the sayer on arecanut, which produces only Rs. 272 per annum, may also given up in his District. There may arise difficulties in authorizing such partial emptions. The Chief Commissioner is not therefore prepared to sanction the propos at present. The sayer duty on arecanut, however, in this and in the other District where the produce is small, should be collected at the place of production by the vilage officers without the necessity for any separate Sayer Establishment, and there should be no further interference with the article either in its transit or when brought to the market.

4. The Deputy Commissioners of the ther Districts should report what Sayer Establishments are entertained in their Districts, and what reductions can be made in them.

C. RANGACHARLU,
Revenue Secretary.

To—The Deputy Commissioner, Bangalore District.
„ President, Bangalore Municipal Commission.
„ Deputy Commissioners of other Districts.
„ Deputy Accountant General.
„ Commissioners of Nagar and Ashtagram Divisions for information.

1879.

GOVERNMENT OF MYSORE.

REVENUE DEPARTMENT.

REVENUE.

To

THE COMMRS. OF NAGAR AND ASHTAGRAM DIVISIONS.
„ DY. COMMISSIONERS OF DISTRICTS.
„ PRESIDENT, BANGALORE MUNL. COMMISSION.
„ DY. ACCOUNTANT GENERAL.

Dated 30*th October.*

Despatched

Received

No. 4032-43.
Munl. 201.

Sayer duties on Betel-leaves and Arecanut. —Comments on the subject and calls for a report as to possible reductions in Sayer Eestablishments.

Mysore Govt Press, Bangalore.—4-11-72.—50.

(4)

From The Un. Secretary to the Government of India Foreign Dept.

D 13th December 79
Rec'd 24 " "

No 101 J.P

Conveys the approval & sanction of the Govt of India to the several proposals for simplifying the system of Sayer collections in Mysore subject to report after one year?

No 4914-25 Munl 243

(4)

From

The Under Secretary to the
Government of India,

To

The Chief Commissioner of Mysore

Dated Fort William, the 13th December 1879

Foreign Dept.
Revenue
} Sir

I am directed to acknowledge your letters Nos. 3360/40, and 3669/50, dated respectively 27th September and 14th October last, submitting proposals for simplifying the system of Sayer Collections in Mysore, and reporting the instructions you have issued for the revision of the Octroi duties and other items of Municipal taxation.

2. In reply I am directed to convey the approval and sanction of the Government of India to your several proposals, subject to a report on their practical working after they have been one year in operation. During this period it may properly come under your consideration whether some further modification is not practicable in the Octroi rates levied on cloths. For instance, it is observed that, while Cotton goods imported by sea have a duty of only 1½% or 5% ad valorem, Indian Cotton goods are taxed 5% ad valorem, a differential rate which

which can scarcely fail to prove hurtful to local industry. Even as regards the sea borne goods the municipal charge, though small, is one which may be said indirectly to affect the imperial revenues.

3. I am to inform you that a Bill for the regulation of all town duties throughout British India is now under the consideration of the Government of India, and it will probably be deemed desirable that the general principles of this Bill, if it should become law, should be extended to Mysore.

I have the honor to be,
Sir,
Your most Obedt. Servt.

H. M. Durand
Under Secretary to the Govt.
of India.

(41) (5)

Proceedings of the Chief Commissioner of Mysore in the Revenue Department, (Revenue),—dated 24th December 1879.

READ—

Letter from the Under-Secretary to the Government of India, Foreign Department, No. 101 I. R. dated 13th December 1879.

No. 4914-25—MUNL. 243, DATED BANGALORE, 24TH DECEMBER 1879.

ORDER THEREON.—The Government of India having approved of the arrangements proposed in paras 25 to 29 of the Chief Commissioner's Proceedings, dated 27th September 1879, No. 3362—Ml. 161, the Municipal President at Bangalore and the Deputy Commissioners of the several Districts are requested to give effect to the same from the 1st proximo. No municipal octroi is to be levied on arecanut, which will be subject only to the existing sayer duty collected at the place of its production.

2. Tobacco will pay a combined town-duty at the rates specified in the above Proceedings, but no sayer duty at the place of its production.

3. In the Municipalities of the Town and Cantonment of Bangalore, the octroi on arecanut should be discontinued, but the existing arrangements in regard to tobacco, under which no portion of the octroi collections on the article imported from British Territories is contributed to the Provincial Revenue, will continue for the present.

4. The Government of India consider the octroi at 5 per cent *ad valorem* on cloths of Indian manufacture too heavy. The Deputy Commissioners are requested to report whether any reduction can be made in it.

C. RANGACHARLU,
Revenue Secretary.

To—The President, Municipal Commission, Bangalore.
" Deputy Commissioners of Districts.
" Deputy Accountant General in Mysore.
Also to the Commissioners of the Ashtagram and Nagar Divisions for information.

(12)

1879.

GOVERNMENT OF MYSORE.

REVENUE DEPARTMENT.

REVENUE.

To

THE PRESIDENT, MUNICIPAL COMMISSION, BANGALORE.
„ DEPUTY COMMISSIONERS OF DISTRICTS.
„ DEPUTY ACCOUNTANT GENERAL.
„ COMMRS. OF THE ASHTAGRAM & NAGAR DNS.

Dated 24th *December.*

Despatched

Received

No. 4914—25.
Muni. 243.

Requests that the proposals relating to the duty on *tobacco* and *arecanut* in the order of 27th September last be given effect to from the 1st proximo, and calls for a report as to whether any reduction is feasible in the octroi duty on Indian cloths.

Mysore Govt. Press, Bangalore.—6-1-80.—60.

Paras 6-7-8